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GENERAL

1. Indonesians fear imminent renewal of Dutch military action--

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25X1 [redacted] information from "a usually reliable Republic-
can source" concerning a Dutch plan to form an interim gov-
ernment on 15 November and to resume military action on
20 November. The Republican Government cites Dutch stalling
tactics to avoid resumption of negotiations and their extensive
military preparations as confirmation of this report. The
Indonesian representative believes that his Government will
continue its efforts to maintain peace provided that the Republic
has some assurance that the Dutch will not resort to military
action. According to the US Embassy in New Delhi, the Gov-
ernment of India has expressed its great concern over recent
developments in Indonesia and understands that the Dutch are
preparing for another "police action" on a large scale.

(CIA Comment: Regardless of the authenticity of the
Republic's information, this appeal to the [redacted]
represents an obvious bid for greater US pressure on the
Netherlands Government. The Dutch have, however, con-
sistently obstructed efforts for reaching a peaceful settle-
ment with the Republic and have recently accelerated prepara-
tions for the use of military force.)

25X1

FAR EAST

2. CHINA: Imminent Communist threat to Nanking--US Embassy
Nanking reports that US military observers there estimate that
a Communist assault on Nanking will begin within seven to ten
days. The Embassy considers that the Nanking garrison is
inadequate for a long defense of the city. According to the
Embassy, the Nationalist Supreme Headquarters has informed
the US Military Attache that the battle for Hsuehou, which has
already begun, has been marked by serious defections.

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NO CHANGE in Class. ☐~~DECLASSIFIED~~

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By: 029

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(CIA Comment: CIA anticipates that Nationalist defections will continue to be widespread in the next few days and will be followed by a Communist advance on Nanking. Although Communist forces are capable of assaulting and taking Nanking within the next two weeks, it is more likely that the surrender of the city will be negotiated, as in the case of Mukden.)

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